

STATE OF SOUTH CAROLINA

Request for Approval of Agreement for Transportation
Service with Firm Gas Standby between South Carolina
Electric & Gas Company and Continental Tire The Americas,
LLC

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2013-185

SC PUBLIC SERVICE
COMMISSION

2013 MAY 20 PM 4: 27

RECEIVED

(Please type or print)

Submitted by: K. Chad Burgess

SC Bar Number: 69456

Address: SCANA Corp.
220 Operation Way MC C222
Cayce, SC 29033

Telephone: 803-217-8141

Fax: 803-217-7810

Other:

Email: chad.burgess@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input checked="" type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input checked="" type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certificatio
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigator
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	



K. Chad Burgess
Associate General Counsel

chad.burgess@scana.com

May 20, 2013

VIA HAND DELIVERY

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RECEIVED
2013 MAY 20 PM 4:28
SC PUBLIC SERVICE
COMMISSION

RE: Request for Approval of Agreement for Transportation Service with Firm Gas Standby between South Carolina Electric & Gas Company and Continental Tire the Americas, LLC.

Dear Ms. Boyd:

In March 2012, Continental Tire the Americas, LLC ("Continental") began construction of its new tire plant in Sumter, South Carolina. The plant will manufacture passenger and light truck tires to meet the increasing demand for Continental and General brand tires from both aftermarket business and automotive manufacturers. According to Continental, the first phase of the plant will reach a production capacity of approximately five million units per year in 2017, and the second phase of this project is expected to bring the plant's full production capacity to approximately eight million units per year by 2021. Altogether, Continental anticipates that it will invest more than \$500 million into the Sumter plant and create approximately 1,600 new jobs. As a result of Continental locating its plant in Sumter, South Carolina Electric & Gas Company ("SCE&G" or "Company") and Continental entered into an Agreement for Transportation Service with Firm Gas Standby ("Contract"). Under the Contract, SCE&G will transport natural gas and provide firm gas standby service to Continental. Pursuant to 10 S.C. Code Ann. Regs. 103-403 and 103-446 (2012), SCE&G hereby files and seeks approval of the Contract between SCE&G and Continental, with such approval to be made effective as of April 3, 2013.

Due to the commercial sensitivity and proprietary nature of certain provisions of this Contract as well as the highly competitive nature of the industry in which Continental operates, the Company and Continental respectfully request that the Public Service Commission of South Carolina ("Commission") find that the Contract contains protected information and issue a protective order barring the disclosure of this Contract under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, 10 S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law. Pursuant to 10 S.C. Code Ann. Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion.

(Continued . . .)

To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, we enclose with this letter a redacted version of the Contract that protects from disclosure the sensitive, proprietary and commercially valuable information, while making available for public viewing non-protected information. We also enclose a copy of the unredacted Contract in a separate, sealed envelope and respectfully request that, in the event that anyone should seek disclosure of this unredacted Contract, the Commission notify SCE&G of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Contract from disclosure.


Enclosed are the following:

- (1) A true and correct copy of the original Contract in a sealed envelope marked "CONFIDENTIAL." Each page of the Contract is also marked "CONFIDENTIAL."
- (2) Ten (10) copies of a redacted copy of the Contract for filing and public disclosure.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff ("ORS") with a redacted copy of the Contract for its records. Additionally, SCE&G will make the original, unredacted copy of the Contract available to ORS for its review.

Thank you for your assistance and consideration of this matter. If you have any questions, please do not hesitate to contact us at your convenience.

Very truly yours,



K. Chad Burgess

KCB/kms

Enclosure

cc: John W. Flitter
Carey Stites
Jeffrey M. Nelson, Esquire
(all via hand delivery)

This original
to be returned
to SCE&G Company

ORIGINAL

AGREEMENT FOR TRANSPORTATION SERVICE
WITH FIRM GAS STANDBY

This agreement made and entered into this 3 day of April, 2013, by and between SOUTH CAROLINA ELECTRIC & GAS COMPANY, its successors and assigns, hereinafter called "Seller" and CONTINENTAL TIRE THE AMERICAS, LLC, its successors and authorized assigns, hereinafter called "Buyer".

RECITALS

A. Seller owns and operates a natural gas system in the State of South Carolina which supplies natural gas for certain industrial operations under specific contracts with industrial customers;

B. Buyer has requested that Seller transport certain volumes of natural gas belonging to Buyer through Seller's facilities and deliver said volumes of gas to Buyer to displace purchases of Firm gas from Seller's system supply;

C. Buyer has requested that Seller provide Firm natural gas from Seller's system supply when not providing transportation services for Buyer; and

D. Buyer has agreed to purchase natural gas from Seller according to the terms and conditions of this Agreement For Transportation Service With Firm Gas Standby ("Transportation Service Agreement") to the extent Buyer has a requirement for fuel in Priority-of-Service Category 2 as set forth in Article III, Paragraph 1, of the General Terms and Conditions to Industrial Service Agreements, for Buyer's facility located in Sumter, South Carolina.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth, to be kept and performed by the parties hereto, it is mutually agreed as follows:

AGREEMENT

The Recitals set forth above are an integral part of this Transportation Service Agreement. Except as otherwise noted, all provisions of Seller's Transportation and Standby Service Rate 35 or its successor/equivalent in effect at the time of billing ("Rate 35") will be part of this Transportation Service Agreement. All defined terms used in this Transportation Service Agreement shall have the same meaning as in Rate 35 unless otherwise stated. This Transportation Service Agreement, Rate Schedule 35, and all services rendered hereunder, are subject to the Seller's General Terms and Conditions to Industrial Service Agreements dated January 1, 1985 ("Industrial Terms and Conditions"), the Seller's General Terms and Conditions ("General Terms and Conditions"), and to the Rules and Regulations of the Commission, as the foregoing now exist or may be amended in the manner prescribed by law. Copies of the current Rate 35, Industrial Terms and Conditions, and General Terms and Conditions are attached hereto as Exhibits "A", "B" and "C" respectively and incorporated into this Transportation Service Agreement; the Rules and Regulations are made a part of this Transportation Service Agreement by reference and are available upon request.

CLP # 63441
RCVD

APR 10 2013

I. SCOPE OF DELIVERY

FIRM GAS, PRIORITY-OF-SERVICE CATEGORY 2

Seller acknowledges that Buyer may utilize a source of gas other than system supply gas from Seller's sources. Buyer's gas may be transported to Buyer by Seller under the Transportation Services provision of this Transportation Service Agreement. Natural gas is provided hereunder to satisfy Buyer's requirements when Seller is not providing transportation services.

Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, up to the Maximum Daily Quantity of natural gas which shall not be subject to interruption or curtailment except for conditions as set forth in Article IV, Paragraph 3, of the Industrial Terms and Conditions. The Maximum Daily Quantity of Firm Gas shall be as provided for below. Any gas taken by Buyer above the applicable Maximum Daily Quantity, after notice from Seller of curtailment to the applicable Maximum Daily Quantity, without Seller's advance approval, shall be Unauthorized Overrun Gas and shall subject Buyer to the penalty rate per Dekatherm set forth in Article IV, Paragraph 5, of the Industrial Terms and Conditions. Deliveries of Firm Gas under this paragraph of the Transportation Service Agreement shall be utilized by Buyer only in Priority-of-Service Category 2 as set forth in Article III, Paragraph 1, of the Industrial Terms and Conditions. Buyer shall purchase all gas tendered by Seller up to the applicable Maximum Daily Quantity whenever and to the extent Buyer has a requirement for fuel in the Priority-of-Service Category set forth herein.

REDACTED

REDACTED

2. HOURLY DELIVERIES

Seller shall not be obligated to make hourly deliveries of gas pursuant to Paragraph 1 above at an hourly rate exceeding 190 Dekatherms per hour. Seller reserves the right to regulate the flow of gas delivered hereunder by means of automatic or manually operated flow control valves so as to limit the hourly flow of gas within the specified quantity.

3. POINT OF DELIVERY

The Point of Delivery for all gas delivered hereunder shall be at the outlet side of Seller's measuring and regulating equipment. The measuring equipment shall be installed on the Buyer's property at a location mutually agreed upon by Seller and Buyer. There is no additional cost for such measuring equipment. All gas shall be delivered at this location and it shall be the Buyer's responsibility to extend all fuel lines from this location to the point or points of usage.

4. DELIVERY PRESSURE

Seller agrees to use due care and diligence to furnish gas hereunder at such uniform pressure as Seller may elect up to, but not exceeding 60 pounds per square inch gauge, and not less than 40 pounds per square inch gauge, at the "Point of Delivery". Buyer shall be responsible for the installation and operation of adequate safety equipment downstream of the Point of Delivery so as to relieve or control pressure variations within the limits described above that may, for any reason through malfunction of Seller's equipment or otherwise, occur on Buyer's side of the "Delivery Point".

5. TRANSPORTATION SERVICE

(a) SCOPE OF SERVICE

Seller agrees to accept deliveries of natural gas belonging to Buyer at Seller's delivery point from the upstream pipeline and to transport Buyer's gas and redeliver to Buyer. Service provided hereunder is in lieu of natural gas provided from system supply. Buyer agrees that the transportation service is provided on an interruptible basis. Interruptions shall be at the sole discretion of Seller or whenever service is interrupted by any upstream pipeline.

(b) NOMINATION PROCEDURES

Seller agrees to accept and transport up to the applicable MDQ, excluding shrinkage volumes, of natural gas on a daily basis. Buyer will notify Seller at least five (5) days prior to the end of the month the volumes of gas, in Dekatherms, to be transported on a daily basis during the next calendar month. Buyer has the right to change the volume to be transported during the month on a daily basis. It is Buyer's responsibility to notify producers and connecting pipelines regarding any change in transportation volumes. Seller will accept changes in daily volumes dispatched from an upstream pipeline; however, Seller reserves the right to limit or restrict the volumes accepted and transported at any time whenever, in Seller's sole opinion, operating conditions warrant a limitation or restriction on the acceptance or delivery of transportation gas. Limitations or restrictions may be because of, but not limited to, the utilization of deliverability capacity of Seller for Seller's system supply requirements.

(c) SHRINKAGE

Volumes retained by Seller for shrinkage will be as specified in Rate 35.

(d) BALANCING

Balancing will be in accordance with the provisions specified in Rate 35.

(e) POSSESSION OF GAS

After Buyer delivers gas or causes gas to be delivered to Seller at the point(s) of receipt hereunder, Seller shall be deemed to be in control and possession of the gas until it is redelivered to Buyer at the point of delivery. Buyer shall have no responsibility with respect to any gas deliverable by Seller or on account of anything which may be done, happen or arise, with respect to such gas until Seller delivers such gas to Buyer or for the account of Buyer. Seller shall have no responsibility with respect to such gas before Buyer delivers such gas to Seller or after Seller redelivers such gas to Buyer or on account of anything which may be done, happen or arise with respect to such gas before such delivery or after such redelivery.

(f) WARRANTY OF TITLE TO GAS

The Buyer warrants for itself, its successors and assigns, that it will at the time of delivery to Seller for transportation have good and merchantable title to all gas so delivered free and clear of all liens, encumbrances and claims whatsoever. Buyer will indemnify Seller and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse

claims of any or all persons to said gas, including claims for any royalties, taxes, license fees or charges applicable to such gas or to the delivery thereof to Seller for transportation.

(g) PRIORITY AND ALLOCATION OF TRANSPORTATION SERVICE

It is acknowledged by Buyer that other end-users of natural gas may from time to time contract with Seller for the transportation of natural gas owned by them. In the event that available capacity or operating conditions exist which limit the acceptance by Seller of natural gas to an amount that is less than the aggregate volume of all such natural gas tendered for transportation and redelivery by any or all end-users that have contracted with Seller for transportation service, the following priorities and allocations shall apply:

- (1) All natural gas purchased by Seller for its system supply or otherwise owned by Seller shall have the highest priority of acceptance into Seller's system and the highest priority of delivery throughout Seller's system.
- (2) The priority of acceptance of natural gas owned by end-users, whoever they may be from time to time, and tendered to Seller's system for redelivery thereof shall be based upon the category of service, pursuant to the Industrial Terms and Conditions, for which Seller has agreed to provide Standby Service associated with a transportation agreement with any such end-user. Higher priorities of standby service pursuant to individual agreements between Seller and end-users shall determine the priority of acceptability and redeliverability of natural gas tendered to Seller for transportation in accordance with the priority categories in the Curtailment Plan. If any Transportation Agreement between Seller and an end-user does not contain a provision for standby service and a specified category of service with respect to said standby service provision, then the acceptability and redeliverability of any natural gas tendered by such end-user to Seller shall have the lowest priority of acceptability and redeliverability.
- (3) In the event that the total volume of natural gas tendered to Seller for acceptance and redelivery relative to a single category of standby service is greater than the capacity determined by Seller to be available for acceptance and redelivery of natural gas in said category of standby service, then acceptance and redelivery of such tendered gas shall be allocated pro rata based upon the contract volumes in all agreements for transportation service containing said category of standby service on the Seller's system.
- (4) The determination of the existence of limitations on capacity or operating conditions which limit the acceptability or deliverability of natural gas

tendered to Seller for transportation shall be at the sole discretion and judgment of Seller.

(h) SPECIAL PROVISIONS

- (1) The Buyer bears sole responsibility for costs incurred to deliver transportation gas to Seller.
- (2) Seller retains sole discretion as to whether or not a particular Buyer or particular Buyers shall receive service pursuant to transportation agreements.
- (3) It is contemplated that service pursuant to this Transportation Service Agreement shall be provided within the existing limitations of Seller's system, and Seller shall not be required to expand or alter the said system.
- (4) Transportation service may be curtailed or discontinued at the sole option of Seller after not less than two (2) hours advance notice by telephone or otherwise. However, the Buyer shall continue to hold title to any gas (less shrinkage) received by Seller and not delivered prior to such curtailment or discontinuance. Seller will notify Buyer when conditions permit Seller to resume transportation service.

6. INITIAL SERVICE

Barring any unforeseen right of way/easement or other issues outside of Seller's control, Seller agrees to make good faith efforts to be prepared to provide service under this Transportation Service Agreement no later than six (6) months after receipt of an executed Transportation Service Agreement from Buyer. Buyer agrees to keep Seller apprised of any schedule delays that may delay the need for service on this date. Buyer agrees to begin purchasing natural gas under the terms and conditions of this Transportation Service Agreement at 10:00 A.M. Eastern Time on the earlier of: (a) the date Seller first receives service under this Transportation Service Agreement and (b) three (3) months after the date service is made available to Buyer under this Transportation Service Agreement (the "Grace Period End Date").

It is the intent of Buyer and Seller that Buyer will begin to receive natural gas no later than the Grace Period End Date. However, if Buyer is unable to receive natural gas for any reason by that date, Buyer shall pay Seller the Monthly Excess Facilities Charge defined below. Timely payment of the Monthly Excess Facilities Charge will delay the Initial Service date. Said payment obligation shall commence on the Grace Period End Date and continue through and including the calendar month of the Initial Service date. Failure to pay any invoiced Monthly Excess Facilities Charge when due will trigger the Initial Service date being set to coincide with that invoice date.

The excess facilities charge is based on the investment Seller incurred to make service under this Agreement available to Buyer. The excess facilities charge applicable to this Agreement is 1.50% of the investment of \$768,910.40 for a Monthly Excess Facilities Charge of \$11,533.66. This charge shall be in addition to all other sums due under this Agreement.

The date of "Initial Service" shall be the latter of 10:00 A.M. Eastern Time on the earlier of: (a) the date Seller first receives service under this Transportation Service Agreement, (b) three (3) months after the date service is made available to Buyer under this Transportation Service Agreement, and (c) the invoice date for the last Monthly Excess Facilities Charge billed under Section 6 of this Agreement.

7.

REDACTED

8.

REDACTED

REDACTED

- C. All Gas volumes will be corrected for BTU content, pressure, temperature, supercompressibility, specific gravity, and other factors where applicable.

Seller's "Purchased Gas Adjustment" applicable to Rate 35 Standby Service shall be determined according to the method shown in Exhibit "B-1", attached hereto, as may be amended, revised, or superseded by the Public Service Commission of South Carolina and shall apply to all Standby Service supplied under Rate 35.

9. BILLING VOLUMES

For the purpose of billing, the parties agree that the first gas delivered through the Point of Delivery shall be the volumes transported for Buyer on a daily basis pursuant to the Transportation Service specified in Paragraph 5 herein. All volumes in excess of the transported volumes will be considered as having been delivered from Seller's system supply pursuant to the Standby Service provisions of Rate 35 and this Transportation Service Agreement.

10. ANNUAL MINIMUM

- A. START UP PERIOD. In consideration of Seller's investment in the facilities required to provide Buyer's requirements in Priority-of-Service Category 2, Buyer ~~agrees to~~ use a minimum of 103,500 Dekatherms of natural gas during the two (2) year period commencing on the date of Initial Service, as defined in Section 6 above (the "Start Up Period"). This minimum quantity may be satisfied by the use of Rate 35 Standby Service and/or Transportation Service. At the conclusion of the Start Up Period, Seller will bill Buyer a fee equal to the Commodity Charge stated in Rate 35 Transportation Service for any and all deficit volumes.
- B. POST START UP PERIOD. In consideration of Seller's investment in the facilities required to provide Buyer's requirements in Priority-of-Service Category 2, Buyer agrees to use a minimum of: (i) 51,750 Dekatherms of natural gas per contract year for a period of ten (10) contract years commencing upon completion of the Start Up Period described in Section (A) above; and (ii) 400,000 Dekatherms of natural gas per contract year for the succeeding five (5) contract years. This minimum quantity may be satisfied by the use of Rate 35 Standby Service and/ or Transportation Service. At the end of each contract year under this Section, Seller will bill Buyer a fee equal to the Commodity Charge stated in Rate 35 Transportation Service for any and all deficit volumes. For purposes of this Section 10, a contract year will be the period beginning on the anniversary date of Initial Service of each calendar year and continuing for one year.

11. CANCELLATION

In the event that this Transportation Service Agreement is cancelled by Buyer for any reason, the Buyer, in addition to all other sums due under this Transportation Service Agreement, shall pay to the Seller a cancellation charge which is equal to the Seller's investment in facilities required to provide service to Buyer less accumulated depreciation, plus the costs of removal and less salvage.

Seller may waive a portion or all of the cancellation charge where either: (1) a successor agreement for substantially the same service facilities is executed prior to termination of this Transportation Service Agreement, or (2) Buyer is able to furnish Seller with evidence satisfactory to Seller that a successor customer will occupy the premises within a reasonable time and contract for substantially the same service facilities.

12. CREDITWORTHINESS

Seller, in order to satisfy itself of the ability of the Buyer to meet its obligations under this Transportation Service Agreement, may conduct periodic reasonable credit

reviews in accordance with standard commercial practices. Buyer agrees to assist in these reviews by providing reasonable financial information which will be subject to a non-disclosure agreement in the form attached to this agreement and at the request of the seller, and if the buyer's parent company, Continental AG, debt rating is below BB- or Ba3, then buyer, will maintain such agreeable credit support or surety including, but not limited to, an unconditional and irrevocable letter of credit to provide adequate security (defined as a total of approximately 2 months of the average annual usage) for protection against the risk of nonpayment.

13. ASSIGNMENT

Buyer shall not assign this Transportation Service Agreement or its rights hereunder without the prior written consent of Seller, which consent may be withheld in the exercise of its sole discretion provided, however, that, without the prior consent of Seller, Buyer may assign this Transportation Service Agreement to an affiliate of Seller so long as Seller remains fully liable for all obligations hereunder in the event of any nonperformance on the part of such assignee and further provided, that Seller provides assurances and executes documents required by Buyer regarding Seller's continued liability for all of Seller's obligations hereunder in the event of any nonperformance on the part of such assignee. For purposes of this section, an affiliate means any other entity directly or indirectly controlling, controlled by or under common control with Seller.

14. BTU CONTENT

The Heating Value stated in both Article V, Paragraph 2 of the General Terms and Conditions To Industrial Service Agreements For Gas (Attached hereto as Exhibit B) and Section III of the General Terms and Conditions (Attached hereto as Exhibit C), is hereby replaced with the following heating value: not less than 950 nor more than 1100 BTU per cubic foot of gas.

Buyer warrants that any gas which Buyer delivers or causes to be delivered to Seller's system shall also comply with these heating values.

15. GENERAL TERMS AND CONDITIONS

As stated above, this Transportation Service Agreement, Rate Schedule 35, and all services rendered hereunder, are subject to the Seller's General Terms and Conditions to Industrial Service Agreements dated January 1, 1985, the Seller's General Terms and Conditions, and to the Rules and Regulations of the Commission, as the foregoing now exist or may be amended in the manner prescribed by law. Should there be any conflict between any portion of the Transportation Service Agreement, the Industrial Terms and Conditions, and the General Terms and Conditions, the parties agree that the order of priority shall be: the Transportation Service Agreement, the Industrial Terms and Conditions, and the General Terms and Conditions.

16. NOTICES

All correspondence required of Buyer and Seller under this Transportation Service Agreement is to be addressed as follows:

To Seller: South Carolina Electric & Gas Company
Large Customer Group, Mail Code B-102
Cayce SC 29033-3701

To Buyer: Continental Tire the Americas, LLC
ATTN: Legal Department
1830 MacMillan Park Drive
Fort Mill SC 29707-7712

17. REGULATORY APPROVAL

Buyer agrees to support Seller in its request to the Public Service Commission of South Carolina ("Commission") to protect the confidential information contained within the Transportation Service Agreement. This Transportation Service Agreement is subject to the approval of the Commission, and any and all provisions herein are subject to change by order(s) of the Commission and Buyer agrees to support Seller in its request to the Commission seeking approval of the Transportation Service Agreement.

18. CONFIDENTIALITY

Seller and Buyer hereby agree to keep the terms of this Agreement confidential. Neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of this Agreement to a third party except (i) in order to comply with any applicable law, order, regulation, or exchange rule; (ii) to the extent necessary for the enforcement of this Agreement; or (iii) to its employees, lenders, counsel, accountants and other agents on a need-to-know basis for the analysis of business issues related to this Agreement, provided such persons shall have agreed to keep such terms confidential. The existence of this Agreement is not confidential.

IN WITNESS WHEREOF, this Transportation Service Agreement has been executed on the date first above written by the parties hereto by their officers or other representatives.

CONTINENTAL TIRE THE AMERICAS, LLC

Buyer



By

Michael T. Worthington
Treasurer

Title

april 3, 2013

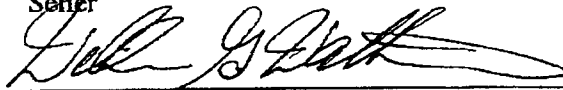
Date



VP Finance

SOUTH CAROLINA ELECTRIC & GAS
COMPANY

Seller



By William G. Watkins

Manager - Large Customer Accounts & Services

Title

4/4/13

Date

Exhibit A

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GAS

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 1 of 2)

AVAILABILITY

Transportation service is available to any customer who has firm requirements of 50 Dekatherms Maximum daily Quantity (MDQ) or greater and, who owns and delivers gas to the Company at an acceptable point of connection, for delivery by the Company to the customer's regular point of service.

Service will be supplied at the best efforts of the Company and may be restricted from time to time due to operating limitations on the Company's system or from third party restrictions. In the event of such limitations, the transportation service is subordinate to service under all other rate schedules and may be curtailed or interrupted, normally upon not less than two hours advance notice, or, when necessitated by conditions affecting the Company's gas system, upon less than two hours advance notice.

RATE PER MONTH

Transportation Service

Monthly Demand Charge:

First	50 Dekatherms @	\$589.00	
Excess over	50 Dekatherms @	\$7.93	per Dekatherm
Commodity Charge @		\$ 1.5703	per delivered Dekatherm

DETERMINATION OF BILLING DEMAND

- (a) **Billing Months of November-April:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.
- (b) **Billing Months of May-October:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

Standby Service

In addition to the demand charges for transportation service the following charges will apply for gas supplied by the Company.

- (a) **Billing Months of November-April:**
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

Demand Charge @	\$6.00	per Dekatherm
Commodity Charge @	\$ 6.3395	per Dekatherm

- (b) **Billing Months of May-October:**

Demand Charge @	None	
Commodity Charge @	\$ 6.3395	per Dekatherm

MINIMUM CHARGE

The monthly minimum charge shall be the demand charges as determined above.

ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$4.7851 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

DELIVERED GAS QUANTITY

When separate metering is not feasible, the Company shall assume for billing purposes, unless otherwise agreed to, that such metered volumes reflect deliveries under this rate schedule prior to gas received under any other rate schedule.

The quantity of transportation gas received into the Company's system for the customer's account to be delivered to the customer by the Company shall be reduced by 3% in measurement for line loss and unaccounted for gas.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2012

RATE 35

TRANSPORTATION AND STANDBY SERVICE

(Page 2 of 2)

DELIVERED GAS QUANTITY

The volume of gas received on a daily basis for customer's account may not equal the volume, less shrinkage, delivered to the customer. The result will be deemed an imbalance. Customer's account will be reviewed at the end of each month, or on termination of Transportation Service or curtailment or discontinuance thereof. If the imbalance is such that the customer has received more gas than was delivered to the Company during the period under review, customer shall be billed for such as standby service. If the imbalance is such that the customer has received less gas than was delivered to the Company, the Company may exercise one of two options, in its sole discretion. The Company may: (1) deliver the excess gas to the customer, over the next calendar month succeeding the review, at such times as the Company shall determine in its sole discretion; or (2) buy excess gas at Company's lowest delivered purchase price in that month from any of Company's suppliers.

LIABILITY

The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

Gas shall be and remain the property of the customer while being transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

The Company shall not be liable for any loss to the customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with other supplies.

SALES AND FRANCHISE TAX

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

PAYMENT TERMS

All bills are net and payable when rendered.

TERM OF CONTRACT

The customer shall execute an Agreement of Service with the Company which shall specify the maximum daily volume of gas to be transported, the period of time that the Company will receive such gas, and all conditions under which delivery to the Company will be accepted and delivery to the customer will be made. The customer must provide the Company with all necessary documentation of ownership and authorization required by any regulatory body with jurisdiction.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

ANNUAL NOMINATION

Customers must elect to receive a) Transportation Service only, b) Transportation Service with Standby Service, or c) Standby Service only for each applicable period. Such elections must be made to the Company in writing by October 15th of each year to be effective for each month during the period November 1st to October 31st following. New customers under this tariff shall elect volumes at the time their service contract becomes effective. If no prior election has been made then the customer will receive Standby Service only. If any customer fails to make a timely election, then the prior period election will carry over for the following period. All elections shall be binding for the duration of the November 1st to October 31st period and may not be revoked, suspended or modified by the Customer.

Exhibit B

SOUTH CAROLINA ELECTRIC & GAS COMPANY

GENERAL TERMS AND CONDITIONS TO INDUSTRIAL SERVICE AGREEMENTS FOR GAS

JANUARY 1, 1985

Article I

GENERAL

These Terms and Conditions to Industrial Service Agreements are supplementary to the Rules and Regulations issued by the Public Service Commission of South Carolina and the General Terms and Conditions of South Carolina Electric & Gas Company as provided by the Public Service Commission of South Carolina.

The provision of these Terms and Conditions apply to all persons, partnerships, corporations or others designated as industrial users who are lawfully receiving gas service from South Carolina Electric & Gas Company under rate schedules or service agreements filed with the Commission.

South Carolina Electric & Gas Company is referred to herein as "Seller", and the user or prospective user is referred to as "Buyer". The Public Service Commission of South Carolina is referred to herein as "Commission".

Article II

DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used and shall be construed to have meaning as follows:

1. "Day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 8:00 A.M. Eastern Time or at such time as the Seller and the Buyer may agree upon.
2. "Month" shall mean the period between any two (2) regular readings of Seller's meters which shall not be less than twenty-eight (28) days nor more than thirty-four (34) days.
3. "Year" shall mean a period of 365 days commencing with the day of first delivery of gas hereunder, and each 365 days thereafter except that in a year having a date of February 29th, such year shall consist of 366 days.
4. "Cubic foot of gas" shall mean the amount of gas required to fill a cubic foot of space when the gas is at an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch at a temperature of sixty (60) degrees Fahrenheit.
5. "CCF" shall mean one hundred (100) cubic feet of gas.
6. "MCF" shall mean one thousand (1000) cubic feet of gas.
7. "BTU" shall mean a British Thermal Unit and is the amount of heat required to raise the temperature of one (1) pound of water 1° Fahrenheit at 60° Fahrenheit.
8. "MMBTU" shall mean one million British Thermal Units.
9. "Therm" shall mean the quantity of heat energy which is 100,000 British Thermal Units.
10. "Dekatherm" (dt) shall mean one million British Thermal Units and is synonymous to the term MMBTU.
11. "Natural Gas" or "Gas" shall mean natural gas, processed, unprocessed, vaporized liquid natural gas, synthetic gas, propane-air mixture or any mixture of these gases.
12. "Firm Service" shall mean from published tariffs and/or contracts under which Seller is expressly obligated to deliver specific volumes within a given time period and which anticipates no interruptions but which may permit unexpected interruption in case the supply to higher priority customers is threatened.
13. "Interruptible Service" shall mean service from approved contracts under which Company is not expressly obligated to deliver specific volumes within a given time period, and which anticipates and permits interruption on short notice, or service under approved contracts which expressly or impliedly require installation of alternate fuel capability.
14. "Commercial Service" shall mean service to Customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation.
15. "Industrial Services" shall mean service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.
16. "Plant Protection Gas" shall mean the minimum volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production. A determination will be made by the Seller of minimum volumes required. Such essential volumes will be dispatched accordingly.
17. "Feedstock Gas" shall mean natural gas used as a raw material for its chemical properties in creating an end product.
18. "Process Gas" shall mean gas used for which alternate fuels, other than another gaseous fuel, are not technically feasible such as in applications requiring precise temperature controls and precise flame characteristics.
19. "Boiler Fuel" shall mean natural gas used as fuel for the generation of steam and in internal combustion turbine engines for the generations of electricity.
20. "Alternate Fuel Capability" shall mean a situation where an alternate fuel could have been utilized whether or not the facilities for such use have actually been installed; provided however, where the use of natural gas is for plant protection, feedstock or process uses and the only alternate fuel is propane or other gaseous fuel, then the Buyer will be treated as if he had no alternate fuel capability.
21. "Gas Supply Deficiency" shall mean any occurrence relating to Seller's gas supply which causes Seller to deliver less than the total requirements of its system, including failures of suppliers to deliver gas for any reason, requirement of gas for system storage, conservation of gas for future delivery, or any other occurrence which is not enumerated herein which affects Seller's gas supply.
22. "Storage Injection Requirements" shall mean all volumes required by the Seller for injection into underground storage, including cushion gas, and for liquefaction, including fuel used for injection and in liquefaction plants, or for such other storage projects that may be developed expressly for the protection of supply to high priority users.
23. "Seller Use" shall mean fuel used for gas compression, LPG plants and LNG plants, other gas needed by Seller's facilities to furnish the requirements of Buyers, together with unaccounted for gas. This gas shall be considered included in Priority of Service Category 1. Other vital uses of Seller, such as flame stabilization requirements, will be met as long as such uses do not jeopardize service to its firm service Buyers.
24. "Essential Human Needs" shall mean natural gas service, which, if denied, would cause shutdown of an operation resulting in the closing of the establishment essential to maintaining the health and safety of the general public.
25. "The Point of Delivery" shall be at the outlet of the Seller's measuring equipment and regulating equipment.
26. "Emergency Service" shall mean supplemental deliveries of natural gas that may be required to forestall irreparable injury to life or property including environmental emergencies.

Article III

CURTAILMENT OF SERVICE

1. In the event of a Gas Supply Deficiency on the Seller's system, the Seller shall require curtailment of service to Buyer in accordance with the following procedure:
 - a. The Seller shall order curtailment of sales made to Buyer's purchasing gas under the Seller's rate schedules or special contracts in descending order in accordance with priority of service categories set forth below. Approved emergency gas is accepted from curtailment.
 1. Residential and small commercial Buyers (less than 50 MCF on a peak day) and essential human needs customers where there is no installed or available alternate fuel capability.
 2. Large commercial direct flame requirements (50 MCF or more on a peak day); firm industrial requirements for plant protection, feedstock and process needs; and storage injection requirements.
 - 3A. Firm industrial requirements for uses other than boiler fuel which do not qualify for Category 2.
 - 3B. Firm commercial and industrial boiler fuel requirements up to 1,000 MCF on a peak day.
 - 3C. Interruptible requirements for human need types of facilities such as public buildings, hospitals and laundries.
 - 3D. Interruptible requirements for direct flame applications which can utilize only another gaseous fuel as an alternate.

- 3E. Interruptible requirements for direct flame applications which can utilize a fuel other than a gaseous fuel as an alternate.
- 3F. Interruptible requirements for boiler fuel use of less than 300 MCF on a peak day.
4. (LEFT BLANK INTENTIONALLY)
5. (LEFT BLANK INTENTIONALLY)
6. Interruptible Boiler Fuel requirements of 300 MCF or more, but less than 1,500 MCF on a peak day, where alternate fuel capabilities can meet such requirements.
7. Interruptible Boiler Fuel requirements of 1,500 MCF or more, but less than 3,000 MCF on a peak day, where alternate fuel capabilities can meet such requirements.
8. Interruptible Boiler Fuel requirements of 3,000 MCF or more, but less than 10,000 MCF on a peak day, where alternate fuel capabilities can meet such requirements.
9. Interruptible Boiler Fuel requirements of 10,000 MCF or more on a peak day, where alternate fuel capabilities can meet such requirements.
10. Natural gas requirements of customers, who have an alternate fuel as their primary energy source, but use natural gas as a standby fuel.
- b. Curtailment will be in descending order beginning with Category 10 (i.e. Category 1 is the highest priority).
- c. A determination of the category in which a Buyer is placed will be made each year based upon usage in the preceding twelve months ending August 31 and/or current contract as of the same date. The placement of a Buyer in a category in accordance with the determination made herein will be effective November 1 of the current year, extending through October 31 of the following year. A moving base period will be used each year with such base period to include the preceding twelve months ending August 31 of the current year. Reclassifications in categories will be effective on November 1 of the current year. Where a reclassification is necessary, the affected Buyer will be notified of such reclassification prior to November 1 of the current year.
- d. Where daily volumes are not available to make the determination of the 50 MCF/day required in the Curtailment Plan, then requirements shall be determined by taking those Buyers having actual usage of 1000 MCF or more per month for any month during the previous twelve (12) month period ending August 31. Such month's use will be divided by the number of days during that specific billing cycle. By means of the average daily volume thus obtained, the Buyer will be placed in the appropriate category. Where daily volumes for the peak month in the base period are available to make the required determination, then such volumes will be used.
- e. Any new Buyer added during any base period will be placed in the appropriate category by the Seller in accordance with the best information available.

Article IV SCOPE OF AGREEMENT

1. Seller's natural gas operations are regulated by the Commissions and are subject to "Rules and Regulations Governing Service Supplied by Gas Systems in South Carolina" as amended from time to time. Deliveries of gas hereunder are subject to total or partial curtailment or interruption by Seller pursuant to operating procedures as are now, or may hereafter be, prescribed by the Commission. Buyer hereby expressly acknowledges that Seller shall not be liable in damages for, or on account of, any curtailment or interruption of deliveries where such curtailment or interruption is the result of, or pursuant to, operating procedures by the Commission directing curtailment or interruption of service.
2. Buyer shall consult with and furnish to the Seller such information as the Seller may require to determine the availability of service at a particular location before proceeding with plans for any new or additional gas loads. No new or additional gas loads will be served if it is determined that such service will jeopardize service to existing customers by increasing the total system's firm load requirements above available supplies.
3. Deliveries of "Firm Gas" up to the Maximum Daily Quantity set forth in the Service Agreement, shall be firm and shall not be subject to curtailment or interruption by Seller except that caused by Force Majeure, or operating conditions beyond Seller's control, or where such curtailment or interruption is the result of, or pursuant to, operating procedures prescribed by the Commission. Deliveries hereunder shall have priority over all deliveries made by Seller on an interruptible basis.
4. Deliveries of "Interruptible Gas" shall be subject to curtailment or interruption by Seller at any time and from time to time when, in Seller's sole judgment, it does not have gas available, and Buyer hereby expressly acknowledges that Seller shall not be liable in damages for, or on account of, any curtailment or interruption of deliveries. Seller agrees to give Buyer not less than two (2) hours notice of curtailment or interruption in writing or orally in person or by telephone; provided, however, that if curtailment or interruption is occasioned by an event of Force Majeure affecting the Seller's system, Seller shall be obligated to give only such notice as is practicable in the circumstances. Seller agrees to communicate curtailment notices to one of the person designated from time to time by Buyer as authorized to receive such notices. If Buyer has not made such designation, or if Seller is unsuccessful in its efforts to promptly communicate with the persons so designated, then said notice shall be sufficient if given by Seller to any person who is on Buyer's premises or who answers Buyer's telephone. Whenever, and to the extent that the Seller is unable to deliver the gas requirements of the Buyer, the Buyer shall have the right to purchase gas or other fuel sufficient to make up such deficiency from such other source or sources as may at the time be available to Buyer.
5. Gas taken by a Buyer of "Firm Gas" on any day, without Seller's advance approval, which exceeds Buyer's Maximum Daily Quantity shall be considered to be Unauthorized Overrun Gas. Seller shall bill, and Buyer shall pay, for such Unauthorized Overrun Gas at the following rates, in addition to all other charges payable to Seller hereunder:
 - (a) For the first three percent (3%) of the Maximum Daily Quantity, the Unauthorized Overrun Gas shall be paid for at 1.25 times the Base Rate set forth in the Service Agreement, and
 - (b) For the next two percent (2%) of the Maximum Daily Quantity, the Unauthorized Overrun Gas shall be paid for at 3.0 times the Base Rate set forth in the Service Agreement, and
 - (c) For additional volumes the Unauthorized Overrun Gas shall be paid for at 5.0 times the Base Rate set forth in the Service Agreement.
 The payment of an Overrun Penalty shall not, under any circumstances, be considered as giving Buyer the right to take Unauthorized Overrun Gas, nor shall such payment be considered to exclude or limit any other remedies available to Seller or another Buyer against the offending Buyer for failure to comply with its obligations to stay within its Maximum Daily Quantity.
6. Any interruptible gas taken by Buyer after the effective hour of an order calling for complete curtailment of all interruptible gas deliveries hereunder shall be considered to be Unauthorized Overrun Gas. Seller shall bill and Buyer shall pay, for such Unauthorized Overrun Gas at the rate of Twenty-five dollars and no cents (\$25.00) per dekatherm, in addition to the Base Rate specified in the Service Agreement for such gas used. The payment of Overrun penalty shall not, under any circumstances, be considered as giving the Buyer the right to take Unauthorized Overrun Gas, nor shall such payment be considered to exclude or limit any causes of action or other remedies available to Seller against the Buyer for failure to comply with curtailment orders issued by Seller hereunder.
7. The South Carolina Public Service Commission has prescribed the following operating procedures in regard to the curtailment of interruptible service by Seller: During the period when operating conditions require curtailments in any type of interruptible service, Seller shall curtail deliveries of gas without discrimination within end-use priority of service categories established by the South Carolina Public Service Commission and pursuant of curtailment instructions received from its supplier or suppliers made in accordance with General Terms and Conditions to the Service Agreement between Seller and its supplier or suppliers and any subsequent modification or amendment thereof.
8. Buyer agrees that all gas delivered hereunder shall be used by the Buyer and that no portion thereof shall be resold.

Article V QUALITY

1. The gas delivered hereunder shall be natural gas or any mixture of natural and manufactured gas, including but not limited to, synthetic gas or liquefied petroleum gas as provided for in Paragraph 3 hereof; provided, however, that moisture, impurities, helium, natural gasoline, butane, propane and other hydrocarbons except methane may be removed prior to delivery to Buyer. Seller may subject or permit the subjection of the gas to compression, heating, cooling, cleaning, or other processes, which are not substantially detrimental to the merchantability of the gas.
2. The gas delivered hereunder shall have a total heating value of not less than 950, nor more than 1,400 BTU's per cubic foot of dry gas, and be reasonably free of moisture, objectionable liquids and solids so as to be utilized immediately upon delivery to Buyer, and shall contain not more than 200 grains of total sulphur, nor more than 15 grains of hydrogen sulphide per MCF.
3. Seller may permit its suppliers or it may itself supply gas from any stand-by equipment installed by it or by its suppliers, provided that the gas so supplied shall be reasonably equivalent to the natural gas supplied hereunder, and adaptable for use by Buyer without the necessity of making other than minor adjustments to fuel burning equipment.
4. If the natural gas offered for delivery by Seller shall fail at any time to conform to any of the specifications set forth in the Article V, Quality, then Buyer agrees to notify Seller thereof and Buyer, thereupon, may at its option refuse to accept delivery pending correction by Seller. Upon Seller's failure to properly remedy any deficiency in quality as specified herein, then Buyer may accept delivery of such natural gas and make changes necessary to bring such gas into conformity with such specifications and Buyer shall then deduct from future payments any reasonable expenses incurred by it in effecting such change as agreed to by both parties.
5. Odorization of gas delivered hereunder is not required of Seller. However, nothing in these Terms and Conditions shall preclude Seller from odorizing such gas if Seller so desires or if Seller is required by federal or state regulatory agencies to perform such odorization.

Article VI MEASUREMENTS

1. The volumes and total heating value of the gas delivered hereunder shall be determined as follows:
 - (a) The Unit of Volume shall be a cubic foot of gas.
 - (b) When orifice meters are used, volumes delivered shall be computed in accordance with the specifications, formulae and tables published April 1955, as Gas Measurement Committee Report No. 3 of the American Gas Association, and any modifications and amendments thereto, and shall include the use of flange connections.
 - (c) All volumes delivered shall be corrected to the pressure base of 14.73 psig and temperature base of 60° F. The average absolute atmospheric pressure shall be assumed to be fourteen and seven tenths (14.7) pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.
 - (d) The temperature of the gas shall be assumed to be 60 degrees Fahrenheit (60°) unless Seller elects to install a recording thermometer or temperature correcting device. If a recording thermometer is installed, the arithmetical average of the 24 hour period will be used to determine the temperature correctly.
 - (e) The specific gravity of the gas shall be determined by a recording gravitometer of standard manufacture installed in a suitable location. Where a recording gravitometer is not used, the specific gravity of the gas shall be assumed to be the same as that of Seller's supplier(s).
 - (f) The total heating value of the gas delivered hereunder may be determined by Seller by using a standard type of recording calorimeter, spectrometer, chromatograph, or other approved instrument which shall be so located, at a suitable point on Seller's line, in order that the BTU content of gas delivered hereunder may be properly obtained. Where required, daily reading from the record so obtained shall be corrected to the basis of measurement provided and from a saturated basis to the average moisture content of the gas delivered, the result being the BTU content of the gas delivered during the billing period. In the event that Seller does not install a recording instrument for such determination or its instrument is not operating properly, the total heating value shall be determined from a recording calorimeter or comparable instrument properly installed and operated by Seller's supplier of natural gas, provided, such values are applicable to the gas that may be delivered to the Buyer. When Seller is making propane-air to supplement its gas supply, the BTU content of the gas shall be calculated by a method such as using the recorded gravity of the propane-air, the natural gas and the combined mixture along with the measured BTU value of the gas where available. The BTU content of propane shall be assumed to be 91,500 BTU's per gallon.

Article VII MEASURING EQUIPMENT

1. Seller will maintain and operate, at its own expense and at the point of delivery of gas hereunder, a meter or meters and other necessary equipment by which the volume of gas delivered hereunder shall be measured. Such meters and equipment shall remain the property of the Seller.
2. Buyer agrees to furnish to Seller electricity for operating Seller's meters, at no cost to Seller.
3. Buyer agrees to change the charts on Seller's meters at no cost to Seller and forward same to Seller.
4. Buyer hereby grants to Seller suitable rights-of-way and easements necessary or incidental for the installation, maintenance, operation and removal of pipeline and other facilities together with rights of ingress thereto and egress there from at all times and hereby agrees to deliver to Seller, for the sum of one dollar (\$1.00), an appropriate instrument or grant defining such rights and easements located on Buyer's plant site.
5. Buyer may install, maintain and operate such check measuring equipment, including a recording gravitometer and calorimeter as it shall desire, provided that such equipment shall be so installed so as not to interfere with the operation of Seller's measuring equipment at or near the point of deliver. However, all billings to the Buyer shall be based on the metering of the Seller, subject only to the provisions of Paragraph 8 of this Article.
6. Each party shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the other's measuring equipment used in measuring deliveries hereunder and each party shall advise the other of any intended major maintenance operation sufficiently in advance in order that the other party may conveniently have its representative present.
7. All installation of measuring equipment, applying to or effecting deliveries hereunder, shall be made in such manner as to permit an accurate determination of the quantity of gas delivered and ready verification of the accuracy of measurement. Orifice meter installations, if used, shall conform to the recommendation for design and installation contained in the Gas Measurement Committee Report No. 3 to the American Gas Association published April, 1955, and any modifications and amendments thereof and shall include the use of flange connections.
8. Measurement on Seller's meter or meters shall be conclusive of both parties except where the meter is defective or fails to register, or if found in error, in either of which case Seller shall repair or replace the meter and the quantity of gas delivered while the meter was out of order or failed to register shall be estimated: (a) By using the registration of any check meter if installed and accurately registering, or, in the absence of (a): (b) By correcting the error if the percentage of error by calibration, test or mathematical calculation, or, in the absence of both (a) and (b) then: (c) By estimating the quantity of delivery from deliveries during periods under similar conditions when the meter was registering accurately; and an appropriate billing adjustment shall be made in accordance with the current Rules and Regulations governing gas systems issued by the Commission.
9. Seller will maintain its meters in good order and to this end will make periodic tests of its meters pursuant to the current Rules and Regulations governing gas systems issued by the Commission, or at such shorter intervals as seem to Seller desirable. If Buyer is dissatisfied with the accuracy at any time, it may call upon Seller to have the meter tested in accordance with all regulations relating to such tests and results of such tests as found in the current Rules and Regulations governing gas systems issued by the Commission.
10. Each party shall preserve all records for a period of at least two (2) years.

Article VIII BUYER'S FACILITIES

1. Buyer will maintain at its own expense facilities from the delivery point to the point of use and the burners and equipment for using gas, and Buyer will at all times keep gas-using equipment on said premises in a condition conforming with such reasonable rules and regulations as may be prescribed therefore by regulatory authority having jurisdiction thereover and with the requirements of any valid law thereto appertaining. In the event that rules are not prescribed by a regulatory authority, Buyer will abide by codes as used in the gas industry.
2. Seller shall not approve sale of gas on an interruptible basis to Buyer until and unless Seller is satisfied that Buyer has, or will, install adequate stand-by facilities to meet its full fuel requirements during periods of sustained interruptions.
3. Seller shall not approve sales of gas to Buyer unless Seller is satisfied that Buyer has not, or will not interconnect downstream fuel piping of natural gas for use in different priority-of-service categories.

Article IX RATE ADJUSTMENTS

1. Taxes applicable to the gas delivered to Buyer hereunder as are in effect on January 1st immediately preceding the effective date of these terms and conditions shall be added to Buyer's bill. The term "tax" as used herein shall mean any tax, license fee, or charge applicable to the gas delivered hereunder, imposed on Seller by any governmental authority on such gas. If the existing rate of any such tax in effect on January 1st, immediately preceding the effective date of these terms and conditions, be hereafter increased or decreased, or if any tax heretofore in effect or hereafter be imposed or repealed, the resulting increase or decrease in such taxes, computed on a cents per dekatherm basis, shall be reflected, as the case may be, on Buyer's bill.
2. Any applicable surcharge or special charges ordered by the Commission or any other duly constituted regulatory body shall be included in addition to the price of gas computed in accordance with the terms of the Service Agreement.

**Article X
BILLING**

1. Bills computed from readings taken of Seller's meters shall be rendered and paid monthly with ten (10) days of the billing date. A month shall mean a period beginning on the first recognized work day of the calendar month and ending on the first recognized work day of the next succeeding calendar month, or at such other equivalent period as Seller may deem necessary. Should Buyer fail to pay any amount due to Seller when same is due, a late payment charge of one and one half percent (1 1/2 %) will be added to any balance remaining twenty-five (25) days after the billing date. If such failure to pay continues, Seller may suspend deliveries of gas hereunder. The exercise of such right shall be in addition to any and all other remedies available to Seller.
2. If it shall be found that Buyer has been overcharged or undercharged in any form whatsoever under the provision hereunder, Seller shall take action to correct such billing pursuant to current Rules and Regulations governing gas systems issued by the South Carolina Public Service Commission.

**Article XI
POSSESSION OF GAS AN INDEMNIFICATION**

1. As between the parties hereto, Seller shall be deemed to be in control and possession of the gas deliverable hereunder until it shall have been delivered to Buyer at the Point of Delivery after which Buyer shall be deemed to be in control and possession thereof.
2. Buyer shall indemnify and hold harmless the Seller from any and all loss (including death), damage, or liability incurred by the Seller by reason of any act of the Buyer, its agents or employees, in the receiving, use or application of said gas on the Buyer's side of the Point of Delivery unless the same shall be due to the sole negligence of the Seller, its agents or employees. The Seller shall indemnify and hold harmless the Buyer from any and all loss (including death), damage or liability incurred by the Buyer by reason of any act of the Seller, its agents or employees, unless the same shall be due to the sole negligence of the Buyer, its agents or employees.

**Article XII
WARRANTY OF TITLE TO GAS**

1. Seller warrants the title to all gas delivered hereunder and the right to sell the same and that such gas shall be free and clear from all liens and adverse claims.

**Article XIII
FORCE MAJEURE**

1. In the event of either party hereto being rendered unable wholly or in part by force majeure to carry out its obligations under this contract, other than to make payments due hereunder, it is agreed that on such party giving notice and full particulars of such force majeure in writing or by telegraph to the other party as soon as possible after the occurrence of the cause relied on, then the obligations of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuous of any inability so caused but for no longer period and such cause shall as far as possible be remedied with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests, and restraints of government and people, civil disturbances, explosions, breakage or accidents to machinery or lines or pipe, freezing of wells or lines or pipe, partial or entire failure of source of supply, and any other causes whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which by the exercise of diligence such party is unable to prevent or overcome; such terms shall likewise include (a) in those instances where either party hereto is required to obtain servitudes, rights-of-way grants, permits, or licenses; and (b) in those instances where either party hereto is required to furnish materials and supplies to secure grants or permission from any governmental agency to enable such party to fulfill its obligations hereunder, the inability of such party to acquire at reasonable cost and after the exercise of reasonable diligence such materials and supplies, permits and permissions.
2. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party involved and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts according to the demands of opposing party when such course is inadvisable in the discretion of such party.

**Article XIV
MISCELLANEOUS**

1. If either party shall fail to perform any of the covenants or obligations imposed upon it under and by virtue of the Service Agreement of which these General Terms and Conditions are a part, (except where such failure shall be excused under any of the provisions of this Service Agreement), then in such event, the other party may, at its option, terminate this Service Agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default, stating specifically the cause for terminating this Service Agreement and declaring it to be the intention of the party giving the notice to terminate the same; thereupon, the party in default shall have thirty (30) days after the service of the aforesaid notice in which to remedy and remove said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, then such notice shall be withdrawn and this Service Agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the notice for any and all consequences of such breach, within said period of thirty (30) days, then this Service Agreement shall become null and void from and after the expiration of said period. Any cancellation of this Service Agreement pursuant to the provisions of this Article shall be without prejudice to the right of party not in default to collect any amounts then due it and without waiver of any other remedy to which the party not in default may be entitled for violation of this Service Agreement.
2. The Service Agreement, of which these General Terms and Conditions are a part thereof, shall be binding upon and inure to the benefit of the Seller and the Buyer and their successors and assigns.
3. Except as otherwise provided, any notice, request, demand, statement or bill, which either Buyer or Seller may desire to give to the other shall be in writing and shall be considered as fully delivered when mailed by prepaid registered mail addressed to said party at its last known post office address, or at such other addresses as either party may designate in writing. Routine communications, including monthly statements and payments, shall be considered as duly delivered when mailed by either registered or ordinary mail.
4. Buyers covenants and agrees to execute or file, or cooperate with Seller in the execution or filing of, any report, certificate or other document required by any governmental agency having jurisdiction over this contract or the parties hereto, or any other certificate or document requested by Seller necessary for Seller to obtain the benefit of any exemption from sales, use or other tax. Buyer shall indemnify Seller for any loss sustained by Seller as a result of Buyer's breach of this covenant.
5. The parties hereto in executing the Service Agreement and these General Terms and Conditions, acknowledge that these General Terms and Conditions are a part of the Service Agreement.

Buyer: Michael T. Worthington

Michael T. Worthington

By: Treasurer

Title: _____

Date: April 3, 2013

T. C. Finner

Seller: South Carolina Electric and Gas Company

By: William G. Watkins

Title: Manager - Large Customer Accounts & Services

Date: 4/4/13

EXHIBIT B-1

SOUTH CAROLINA ELECTRIC AND GAS COMPANY PURCHASED GAS ADJUSTMENT FIRM GAS ONLY

This adjustment is applicable to and is part of the Company's firm gas rate schedules. The cost will be calculated to the nearest one-thousandths of a cent, as determined by the following formula, and will be included in the base rates to the extent approved by the Public Service Commission. All costs and factors will be recalculated monthly for a forward looking 12-month period. Adjustments in gas cost factors will be made for all factors in any month in which the recalculation indicates that any factor requires an adjustment of more than \$0.04 per therm. If the recalculation indicates the adjustment is less than or equal to \$0.04 per therm, then the Company may nevertheless adjust the rate if, in its sole discretion, it determines that a rate adjustment would reasonably impact customers' bills. The recalculation shall be made based on information current as of a mid-month date selected by the Company which allows for revised factors to be filed and acted on by the Commission before the first billing cycle of the month in which they are to be effective. All components of the recalculation (commodity costs, demand charges, firm sales, industrial revenue credits, capacity release credits, over or under collections, carrying costs, etc.) shall reflect current forecasts and balances as of the date of the recalculation. Differences between firm cost of gas revenues actually billed and firm cost of gas expenses actually incurred for each month, as defined below, will be calculated monthly, for both Demand Charges and Firm Commodity Benchmark charges, and accumulated. The accumulated amounts will be applied to subsequent cost of gas factor calculations as detailed herein with monthly carrying costs calculated at the rate of one-twelfth of the annual applicable interest rate. This annual rate is defined as the rate of interest as of the first day of each month for 10-year U.S. Government Treasury Bills plus an all-in spread of 65 basis points (0.65 percentage points) with this total carrying costs annual rate not exceed 6%. The rate will be applied to the cumulative balance of over or under recovery as of the close of the prior month for each customer class for both demand and commodity with no carrying cost applied to over or under-collection balances equal to or exceeding \$20 million dollars. The resulting interest adjustment will be applied to the demand and commodity cost of gas recovery balances for each customer class. The Demand Charges and Firm Commodity Benchmark charges shall be calculated as set forth below.

A. Demand Charges:

$$\text{Demand Charges per Therm by Class} = \frac{[a-(b+c)] \times \text{Rate Class Percentages}}{\text{Firm Sales Therms by Rate Class}}$$

- (a) Capacity charges and reservation fees for transportation, storage and LNG.
- (b) Released capacity at 75% of the net compensation received from secondary market transactions. (See "Note-1" below)
- (c) Margin Revenue from interruptible rates above \$.02081 per therm. Margin Revenue is the total amount received for such sale less the commodity cost of gas determined in B below.

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EXHIBIT B-1

All calculations of Demand Charges by customer class shall be done monthly. The full amount of any Margin Revenue as stated in C above, shall be credited to the Demand Cost. Additionally, SCE&G will revise the rate class percentages to reflect the current weighting of 50% of annual peak day forecast and 50% of forecast annual sales in each annual Purchased Gas Adjustment filing.

NOTE-1: "Released Capacity" shall include all transactions which involve the use of gas transportation capacity rights, storage rights or similar off-system rights or assets owned by SCE&G, but only if the cost of those rights or assets is borne by firm gas customers in South Carolina. "Net value received" shall mean the gross compensation received from the "released capacity" transactions, less all transportation charges, taxes or other governmental charges, brokerage fees or commissions, or other costs or charges related to the transaction, including all costs incurred in purchasing natural gas supplies that form part of the transaction.

B. Firm Commodity Benchmark:

Where: Firm Gas Cost per Therm = $\frac{(p-d)}{s}$

- (p) Total variable cost of natural gas (processed or unprocessed), vaporized liquid natural gas, synthetic gas, propane-air mixture, landfill gas, or other source of methane gas or any mixture of these gases entering the Company's system in dollars including any additions or subtractions from Price Risk Adjustment.
- (d) The cost of gas attributable to all sales made by the Company to customers under an interruptible rate or contract or any Special Market Priced Customers, such costs to be calculated by dividing the total price paid for commodity gas for the month by the volumes of gas purchased for the month (adjusted for shrinkage) with the resulting unit price then multiplied by interruptible sales therms for the month. (See "Note-2" Below)
- (s) Total firm therm sales of gas. Total sales being defined as those sales excluding gas sold under D above recorded on the Company's books in Accounts 480 through 483 per The Uniform System of Accounts for Class A and B Gas Utilities of the National Association of Regulatory Utility Commissioners (NARUC).

NOTE-2: Special Market Priced Gas includes, without limitation, market priced gas sold to Compressed Natural Gas (CNG) customers under SCE&G's Developmental Rate for CNG and emergency gas customers sold under provisions providing for Emergency Gas sales. The appropriate revenue related tax factor is to be included in the calculation of Demand Charges and the Firm Commodity Benchmark.

C. Alternative Commodity Benchmark Calculation Related to Interruptible Sales

Interruptible sales are priced to reflect the cost of gas supplies available at the time the sales are transacted. The Firm Commodity Benchmark is calculated as a system-wide average at month's end. In some cases, the market price of gas supplies may change within a month such that the Firm Commodity Benchmark plus \$.02081 per therm is higher than the price quoted for interruptible sales. In such cases, SCE&G may calculate an Alternative Commodity Benchmark for those interruptible sales whose prices fall below the Firm Commodity Benchmark. SCE&G shall then use that Alternative Commodity Benchmark plus \$.02081 per therm in calculating the Margin Revenue from those sales.

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EXHIBIT B-1

The Alternative Commodity Benchmark –The Alternative Commodity Benchmark shall be calculated using the following formula:

$$\text{Cost of Gas per Therm} = \frac{p}{d}$$

- (p) Total variable cost of gas (of whatever type) entering the Company's system that was purchased, nominated, injected or otherwise obtained to support the interruptible sales whose prices are lower than the Firm Commodity Benchmark.
- (d) The interruptible sales, in therms, whose prices are lower than the Firm Commodity Benchmark.

The costs and quantities of gas used in such calculation shall be excluded from the calculation of the Firm Commodity Benchmark under Section B, above.

Margin Revenue from Interruptible Sales: In those months in which SCE&G elects to compute an Alternative Commodity Benchmark for interruptible sales, it shall use that Alternative Commodity Benchmark to compute Margin Revenue from interruptible sales and shall include the Margin Revenue so calculated in factor (c) of the Demand Cost calculation under Section A, above.

Whenever SCE&G elects to compute an Alternative Commodity Benchmark for interruptible sales, it shall provide written notice thereof to the Commission and the Office of Regulatory Staff, within 30 days of adopting the resulting adjustment to prices and volumes.

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GENERAL TERMS AND CONDITIONS**I. GENERAL****A. Foreword**

1. In contemplation of the mutual protection of both South Carolina Electric & Gas Company and its customers and for the purpose of rendering an impartial and more satisfactory service, the General Terms and Conditions of the Company are hereby set forth and filed with the Public Service Commission of South Carolina, which has jurisdiction over public utilities, so as to read as hereinafter set forth; the same being incorporated by reference in each contract or agreement for service.
2. These Terms and Conditions are supplementary to the Rules and Regulations issued by the South Carolina Public Service Commission covering the operation of gas utilities in the State of South Carolina.
3. These Terms and Conditions may be supplemented for specific customers by contract.
4. South Carolina Electric & Gas Company is referred to herein as "Company", and the user or prospective user is referred to as "Customer". The Public Service Commission of South Carolina is referred to here in "Commission".

B. Application

1. Provisions of these Terms and Conditions apply to all persons, partnerships, corporations or others designated as Customers who are lawfully receiving gas service from the company under the prescribed Rate Schedules or contracts filed with the Commission. Receipt of service shall constitute a contract between Customer and Company. No contract may be transferred without the written consent of the Company.
2. **Term of Service** – The rates as prescribed by the Commission are based upon the supply of service to each individual Customer for a period of not less than one year, except as otherwise specifically provided under the terms of the particular Rate Schedule or contract covering such service.
3. **Terms and Conditions** – The Terms and Conditions contained herein are part of every contract for service entered into by the Company and govern all Classes of service where applicable unless specifically modified as a provision or provisions contained in a particular Rate Schedule or contract.
4. **Statement by Agents** – No representative of the Company has authority to modify any rule of the Commission, provisions of Rate Schedules, or to bind the Company by any promise or representation contrary hereto.

II. DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used and shall be construed to have meanings as follows:

- A. "Day" shall mean period of twenty-four (24) consecutive hours beginning at 10:00 a.m. eastern time or at such other hours as may be designated.

- B. "Month" or "Billing Month" shall mean the period between any two (2) regular readings of Company's meters which shall be not less than twenty-eight (28) days or more than thirty-four (34) days.
- C. "Year" shall mean a period of 365 days commencing with the day of first delivery of gas hereunder, and each 365 days thereafter except that in a year having a date of February 29, such year shall consist of 366 days.
- D. "BTU" shall mean a British Thermal Unit: the amount of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit (1°F) at sixty degrees Fahrenheit (60°F).
- E. "Therm" shall mean the quantity of heat energy which is 100,000 British Thermal Units.
- F. "Dekatherm" (dt) shall mean the quantity of heat energy which is 1,000,000 British Thermal Units.
- G. "Cubic Foot of Gas" shall mean the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty degrees Fahrenheit (60°F) and under an absolute pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 psia).
- H. "CCF" shall mean one hundred (100) cubic feet of gas.
- I. "MCF" shall mean one thousand (1,000) cubic feet of gas.
- J. "Natural Gas" or "Gas" shall mean natural gas, processed or unprocessed, vaporized liquid natural gas, synthetic gas, propane-air mixture, landfill gas, other unconventional source of methane gas or any mixture of these gases.
- K. "Point of Connection" shall mean the outlet side of Company measuring and regulating equipment.
- L. "Premises" shall mean a Customer's building or a portion of a building and contiguous area.
- M. Typical delivery pressure to residential customers will be 7 inches water column or 2 psig. Commercial and Industrial customers will be provided at a delivery pressure of up to 5 psig. Any delivery pressure other than these must be requested in writing and approved by the Company. Only one delivery pressure will be provided per meter location.

III. CONDITIONS OF SERVICE

- A. **General** – The Customer shall consult with and furnish to the Company such information as the Company may require to determine the availability of the Company's service at a particular location before proceeding with plans for any new or additional gas loads. No new or additional gas loads will be served if it is determined that such service will jeopardize service to existing customers by increasing the total system's firm load requirements above available supplies.

Heating Value – The normal range of heating value will not be less than 950 nor more than 1400 Btu per cubic foot of gas. Cubic Feet shall be converted to therm equivalent, for billing, by application of a fraction, the numerator of which shall be the weighted average BTU content of gas described in II.J. above entering the Company's system for the days representing the days in the billing cycle for the Customer and the denominator of which shall be 1,000. Where heating value by day is obtainable by means of a standard type of recording calorimeter, spectrometer, chromatograph or other approved instrument, then these daily values shall be used to convert cubic feet to the therm equivalent.

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- B. Installation Requirements** – Before piping a premises or purchasing equipment, the Customer shall give the Company notice and shall ascertain from the Company the character of service available at such premises. The Company may specify the content and pressure of the gas to be furnished, the location of the meter, and the point where the service connection shall be made.
- Where more than one service is required by the Customer, the Company will provide such additional service upon payment by the Customer to the Company of the charges above the cost of the first service. Each installation shall be a separate account.
- All piping and equipment must be installed and maintained in accordance with the applicable codes and requirements of the local, municipal, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the point of connection at the meter assembly with the facilities of the Company. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction of Customer's equipment.
- C. Connection/Reconnection** – An inspection by the appropriate jurisdiction must be completed and presented to the Company by the Customer prior to connection or reconnection of gas service on any premises where gas has not previously been served, or inactive for an extended period of time or where the gas piping has been modified or altered or if an unsafe condition exists.
- The Customer or an adult representative must be present to admit the Company Representative during a connection/reconnection service visit. A minimum of one natural gas appliance must be connected, operational and ready for use prior to connection/reconnection of gas service. An appliance or device which is found to be unsafe shall be disconnected and the service shall remain disconnected.
- D. Limitations or Extensions** – Service is supplied only where, in the opinion of the Company, adequate service is available or can be made available under the provisions of these rules. The Company's obligation to extend its facilities is limited to the assumption of new investment to the extent warranted by the revenue anticipated from the service to be supplied. Where the service to be supplied does not produce revenue sufficient to support the expenditure required to serve it, the Company will determine in each case the amount of payments and form thereof that may be required of the Customer.
- The Company shall not be required to extend its distribution and service facilities, for the purpose of rendering gas service to the Customer until satisfactory rights-of-way, easements or permits have been obtained from government agencies and property owners, at the customer's expense, to permit the installation, operation and maintenance of the Company's lines and facilities. The Customer in requesting or accepting service thereby grants the Company without charge necessary rights-of-way and privileges for its facilities along, across, and under property controlled by the Customer to the extent that such rights-of-way required or necessary to enable Company to supply service to the Customer and the Customer also grants the Company the right to continue or extend the Company's facilities on, across, or under with necessary rights to serve other Customers. Customers shall maintain such right-of-way so as to grant the Company continued access to its facilities by Company vehicles and other power-operated equipment.
- Company will, subject to limitations stated in this Section III.E., and subject to the execution by the applicant and acceptance by Company of a service contract which includes a right-of-way agreement, furnish and install a service line along with standard appurtenances, such as shut-off-valve, regulator and meter, and required service pipe up to 125 feet more or less without cost to the applicant.
- F. Safe Access to Customer's Premises** – The duly authorized representatives of the Company shall be permitted at any and all reasonable times to inspect, operate and maintain the Company's and the Customer's facilities and equipment for any and all purposes connected with the delivery of service, the determination of connected load and other data to

be used for billing purposes, the determination of Customer load requirements or the exercise of any and all rights under the agreement.

G. Curtailment of Supply— The supply of service is subject to any orders of all duly constituted governmental authorities establishing any priority or limitation to service. Notwithstanding other provisions of the Company's Rate Schedules, the availability of gas service thereunder may be limited or curtailed, due to an insufficient supply of gas available to the Company, in accordance with priorities of service established and ordered by the Commission. (See *Section VII, Limitations or Curtailment and Section VIII, Force Majeure*).

H. Denial or Discontinuance of Service — The Company may refuse or discontinue service and remove the property of the Company without liability to the Customer, or tenants, or occupant of the premises served, for any loss, cost damage or expense occasioned by such refusal, discontinuance or removal, including but not limited to, any of the following reasons:

1. In the event of a condition determined by the Company to be hazardous or dangerous..
2. In the event Customer's equipment is used in such a manner as to adversely affect the Company's service to others.
3. In the event of unauthorized or fraudulent use of Company's service.
4. Unauthorized adjustment of or tampering with Company's equipment.
5. Customer's failure to fulfill his contractual obligations.
6. For failure of the Customer to permit the Company reasonable access to its equipment.
7. For non-payment of bill for service rendered provided that the Company has made reasonable efforts to affect collections.
8. For failure of the Customer to provide the Company with a deposit.
9. For failure of the Customer to furnish permits, certificates, and rights-of-way, as necessary in obtaining service, or in the event such permissions are withdrawn or terminated.
10. For failure of the Customer to comply with reasonable restrictions on the use of service.
11. The Company shall not furnish its service or continue its services to any applicant, who at the time of such application is indebted or any member of his household is or was indebted under an undisputed bill for service, previously furnished such applicant, or furnished any other member of the applicant's household or business.
12. The Company may terminate a Customer's service should the Customer be in arrears on an account for service at another premises.
13. For the reason that the Customer's use of the utility service conflicts with, or violates orders, ordinances or laws of the State or any subdivision thereof, or of the Commission.

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The Company may discontinue service with notice for reasons (1), (2), (3) and (6) above. For the remainder of the reasons the Customer shall be allowed a reasonable time in which to correct any discrepancy.

Failure of the Company to terminate or suspend service at any time after the occurrence of grounds therefore or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right to later resort to any or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

- I. **Safety Requirements** – The Company is required under Regulations of the Commission to lock gas meters in the off position whenever service to a customer is discontinued. The requirement to lock a gas meter is applicable when gas service is turned off.

Restoration of gas service under these conditions will require a reconnection call to unlock the gas meter and restore gas service. The reconnection charge will be assessed for all such reconnection calls. The turning on or off of gas meters is to be done by a person duly authorized by the Company only.

- J. **Reconnection Charge** – Where the Company has discontinued service for reasons listed in *Section III. H. and III.I.*, the Customer is subject to a reconnection charge of \$25 in addition to any other charges due and payable to the Company. If a Customer requests that a reconnection be made after normal working hours, the charge is \$35. In cases where both electric and gas services are reconnected at the same time on the same premises for the same Customer, only one charge will be made.

- K. **Seasonal Block Charge** – A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as a seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated on the tariffs. In determining the month of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional of \$20.00 will be added to the charges as calculated above.

IV. BILLING AND PAYMENT TERMS

- A. **General** – The rates specified in the various service classifications are stated on a monthly basis. Unless extenuating circumstances prevent, the Company will read meters at regular monthly intervals and render bills accordingly. If for any reason a meter is not read, the Company may prepare an estimated bill based on the Customer's average use billed for the preceding 60 days or from other information as may be available. All such bills are to be paid in accordance with the standard payment terms, and are subject to adjustment on the basis of actual use of service as computed from the next reading taken by the Company's representative or for any circumstances known to have affected the quantity of service used. No more than one estimated bill shall be rendered within a 60-day period unless otherwise agreed to by the Customer or allowed by the Commission. All billing errors shall be adjusted in accordance with the Commission's Rules and Regulations.

- B. **Obligation** – The customer is responsible for all charges for gas furnished and for all charges under the agreement until the end of the terms thereof.

All bills shall be due and payable when rendered. Notice and collection of unpaid bills will be in accordance with the current Rules and Regulations of the Commission.

No Claim or demand which the Customer may have against the Company shall be set off or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered. All such sums shall be paid in accordance with the agreement regardless of any claim or demand.

Should service be terminated, the Customer's deposit shall be applied to reduce or liquidate the account. Service may be restored upon payment of the account, in full, plus the late payment charge set forth below, the reconnection charge set forth above and a deposit up to an amount equal to the total actual bills of the highest two (2) consecutive months based on experience of the preceding twelve (12) months or portions of the year if on a seasonal basis.

C. **Late Payment Charge** – A late payment charge of one and one half percent (1 ½%) will be added to any balance remaining twenty-five (25) days after the billing date.

D. **Deposit** – A maximum deposit in an amount equal to an estimated two (2) months (60 days) bill for a new Customer or in an amount equal to the total actual bills of the highest two (2) consecutive months based on the experience of the proceeding twelve (12) months or portion of the year if on a seasonal basis may be required from the Customer as security for payment of the account before service is rendered or continued if any of the following conditions exist: (1) the Customer's past payment record to the Company shows delinquent payment practice; (2) a new Customer cannot furnish either a letter of good credit from an acceptable source or an acceptable cosigner of guarantor on the Company's system to guarantee payment; (3) a Customer has no deposit and presently is delinquent in payments; (4) a Customer has had his service terminated for non-payment or fraudulent use. All deposits may be subject to review based on the actual experience of the Customer. The amount of deposit may be adjusted upward or downward to reflect the actual billing experience and payment habits of the Customer.

E. **Service Charge** – The Company may make reasonable charges for work performed on or services rendered:

1. Upon Customer's request at the Customer's premises when, at the time the request is made, service and equipment provided by the Company is in good working condition and in compliance with these General Terms and Conditions and such other regulations as may be promulgated from time to time by any municipal bureau or other governmental agency having jurisdiction over the Customer's installation or premises;

2. To repair, replace, remove, disconnect or gain access to Company's facilities or equipment where such repair, replacement removal or disconnection is made necessary by the willful action(s) of the Customer, members of the Customer's household or invitees of the Customer, or

3. To repair, replace, remove or gain access to Company's facilities or equipment where such repair, replacement or removal is made necessary by the negligent failure of the Customer to take timely action to correct or to notify the Company or other responsible party to correct conditions which led to the needed repair, replacement or removal, except that such charges shall be apportioned between the Customer and the Company to the extent that the Customer shall only bear that part of the costs which reflect the costs added by the Customer's negligence. Such charges cannot be assessed where the damage is caused by an Act of God except to the extent that the Customer failed timely to mitigate the damages. Such charges may include labor, materials and transportation.

V. COMPANY'S LIABILITY

The Company will not be liable for damages or injuries sustained by Customer or others, or by the equipment of the Customer or others by reason of the condition or character of Customer's

pipng and equipment, or the piping and equipment of others on the Customer's premises. The Company will not be responsible for the use, care, or handling of service delivered to the customer after the same passes beyond the point of interconnection of the Company's facilities with that of the Customer. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction or Customer's equipment.

VI. MEASUREMENT OF SERVICE

A. **Measurements** - The volume and total heating value of the gas delivered hereunder shall be determined as follows:

1. All volumes delivered shall be corrected to the pressure base of 14.73 psia and temperature base of 60° F. The average absolute atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.
2. When orifice meters are used, volumes delivered shall be computed in accordance with accepted industry standards
3. Gas volumes will be adjusted for BTU content, pressure, temperature, supercompressibility, specific gravity and any other applicable factors.
4. The temperature of the gas shall be assumed to be 60° F. unless Company elects to install a recording thermometer or temperature correcting device. If a recording thermometer is installed, the arithmetical average of the 24 hour period will be used to determine the temperature correctly.
5. The specific gravity of the gas shall be determined daily by a recording gravimeter or any other instrument of an industry acceptable standard manufacturer.
6. The total heating value of the gas delivered hereunder shall be determined by Company by using a standard type of recording calorimeter or other instrument of an industry acceptable standard manufacturer which shall be located on Company's system and/or its supplier's system, in order that the BTU content of gas delivered hereunder by be properly obtained.

B. **Meter Testing on Request of Customer** - The Customer may, at any time, upon reasonable notice, make written request of the Company to test the accuracy of the meters in use for his service. No deposit or payments shall be required from the Customer for such meter test if said meter has been in service at least one year without testing at Company's expense; otherwise, the Customer shall deposit the estimated cost of the test; said deposit shall not exceed \$15 without the approval of the Commission. The amount so deposited with the Company shall be refunded or credited to the Customer as part of the settlement of the disputed account if the meter is found, when tested, to register more than two percent (2%) fast or slow, otherwise the deposit shall be retained by the Company.

C. **Adjustments for Inaccurate Meters** - Where it is determined that the Company's meter is inaccurate or defective by more than 2% error in registration, bills shall be adjusted in accordance with the Commission Rules and Regulations.

VII. LIMITATIONS OR CURTAILMENTS

Notwithstanding other provisions of the Terms and Conditions and Rate Schedules of this tariff, the availability of gas service may be limited or curtailed due to operating conditions or any gas supply deficiency. During any period when operating condition or gas supply deficiencies

require limitations or curtailment, the Company shall curtail deliveries of gas without discrimination within priority of service categories established by the Commission as follows:

A. Definitions – The definitions of the term used in the Curtailment Plan are as follows:

1. **Residential** – Service to Customers which consists of direct natural gas usage in a residential dwelling of space heating, air conditioning, cooking, water heating, and other residential uses.
2. **Commercial** – Service to Customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation.
3. **Industrial** – Service to Customers engaged primarily in a process which creates or changes raw or unfinished materials into other form or product including the generation of electric power.
4. **Firm Service** – Service from Rate Schedules or contracts under which Seller is expressly obligated to deliver specific volumes within a given time period and which anticipates no interruptions, but which may permit unexpected interruptions in case the supply to higher priority Customers is threatened.
5. **Interruptible Service** – Service from Rate Schedules or contracts under which Seller is not expressly obligated to deliver specific volumes within a given time period, and which anticipates and permits interruption on short notice, or service under Rate Schedules or contracts which expressly or impliedly require installation of alternate fuel capacity.
6. **Plant Protection Gas** – Minimum volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production.
7. **Feedstock Gas** – Natural gas used as a raw material for its chemical properties in creating an end product.
8. **Process Gas** – Gas used for which alternate fuels, other than another gaseous fuel, are not technically feasible such as applications requiring precise temperature controls and precise flame characteristics.
9. **Boiler Fuel** – Natural gas used as fuel for the generation of steam and internal combustion turbine engines for the generation of electricity.
10. **Alternate Fuel Capacity** – A situation where an alternate fuel could have been utilized whether or not the facilities for such have actually been installed: provided, however, where the use of natural gas is for plant protection, feedstock, or process uses and the only alternate fuel is propane or other gaseous fuel, then the Buyer will be treated as if he had no alternate fuel capability if such fuel is unobtainable for serving fuel needs.
11. **Storage Injection Requirements** – Volumes required by the Company for injection into underground storage, including cushion gas and for liquification, including fuel used for injection in liquification plants, or for such other storage projects which may be developed expressly for the protection of supply or high priority uses.
12. **Company Use Gas** – Fuel used in gas compression, propane-air plants, LNG plants, other gas needed by Company's facilities to furnish the requirements of Customers, together with unaccounted for gas, shall be considered for purposes of this curtailment plan to be in Category 1.
13. **Essential Human Needs** – Natural gas service, which, if denied, would cause shutdown of an operation resulting in closing of an establishment essential to maintaining the health and safety of the general public.
14. **Gas Supply Deficiency** – Any occurrence relating to Company's gas supply which causes company to deliver less than the total requirements of its system, including failures of suppliers to deliver gas for any reason, requirements of gas for system storage, conservation of gas for future delivery, or any other occurrence not enumerated herein which affects Company's gas supply.

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15. Emergency Service – Supplemental deliveries of natural gas that may be required to forestall irreparable injury to life or property including environmental emergencies.

16. Daily Gas Price Index – This term means the arithmetic average of:

- (i) Natural Gas Intelligence Daily Gas Price Index, *Louisiana, Southern Natural*; and
- (ii) Natural Gas Intelligence Daily Gas Price index, *Louisiana, Transco St. 65*.

If no index for a gas day is published, the price will be computed as the average of the applicable indices on the closest index publication date preceding and the closest index publication date following such gas day.

B. Curtailment for Gas Supply Deficiency

In the event of Gas Supply Deficiency on the Company's system, the Company shall require curtailment of service to Customer in accordance with the following procedure.

- (a) The Company shall order curtailment of sales made to Customers purchasing gas under the Company's Rate Schedules or special contracts in descending order in accordance with priority of service categories set forth below. Approved emergency gas is excepted from curtailment.
 - 1. Residential and small commercial Customers (less than 50 Dekatherms on a peak day) and essential human needs Customers where there is no installed or available alternate fuel capability.
 - 2. Large commercial direct flame requirements (20 Dekatherms or more on a peak day); firm industrial requirements for plant protection, feedstock and process needs, and storage injection requirements.
 - 3A. Firm industrial requirements for uses other than boiler fuel which do not qualify for Category 2.
 - 3B. Firm commercial and industrial boiler fuel requirement up to 1,000 Dekatherms on a peak day.
 - 3C. Interruptible requirements for human need types of facilities such as public buildings, hospitals and laundries.
 - 3D. Interruptible requirements for direct flame applications which can utilize only another gaseous fuel as an alternate.
 - 3E. Interruptible requirements for direct flame applications which utilize a fuel other than a gaseous fuel as an alternate.
 - 3F. Interruptible requirements for boiler fuel use of less than 300 Dekatherms on a peak day.
 - 4. (LEFT BLANK INTENTIONALLY.)
 - 5. (LEFT BLANK INTENTIONALLY.)
 - 6. Interruptible boiler fuel requirements of 300 Dekatherms or more, but less than 1,500 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 - 7. Interruptible boiler fuel requirements of 1,500 Dekatherms or more, but less than 3,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 - 8. Interruptible boiler fuel requirements of 3,000 Dekatherms or more, but less than 10,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
 - 9. Interruptible boiler fuel requirements of 10,000 Dekatherms or more on a peak day, where alternate fuel capabilities can meet such requirements.
 - 10. Natural gas requirements of Customers who have alternate fuel as their primary source, but use natural gas as a standby fuel.

- (b) Curtailment will be in descending order beginning with Category 10 (i.e. Category 1 is the highest priority).

A determination of the category in which a Customer is placed will be made each year based upon usage in the preceding twelve (12) months ending August 31 and/or current contract as of the same date. The placement of a Customer in a category in accordance with the determination made herein will be effective November 1 of the current year, extending through October 31 of the following year. A moving base period will be used each year with such base period to include the preceding twelve (12) months ending August 31 of the current year. Reclassification in categories will be effective on November 1 of the current year. Where a reclassification is necessary, the affected Customer will be notified of such reclassification prior to November 1 of the current year.

- (c) Where daily volumes are not available to make the determination of the 50/Dekatherms/day required in Section (b) of the Curtailment Plan, then the daily volume requirements shall be determined by taking the Dekatherms usage of the Customers for any month during the previous twelve (12) month period ending August 31 and dividing that month's use by the number of days during that specific billing cycle and multiplying the result by 1.5. By means of the average daily volume thus obtained, the Customer will be placed in the appropriate category. Where daily volumes for the peak month in the base period are available to make the required determination, then such volumes will be used.

- (d) Any new Customer added during any base period will be placed in the appropriate category by the Company in accordance with the best information available.

- (e) Notwithstanding the terms of any service contract or agreement, general terms and conditions, tariff provisions, or rate provisions to the contrary, the Company may, during periods of curtailment, limit curtailment within any given geographic area or areas to those Customers within the area or areas where the need for the curtailment exists. Geographic areas will be defined by the Carolina Gas Transmission Corporation ("CGTC") approved tariff and determined based upon any applicable Operational Flow Order issued by CGTC. While the Company may limit the curtailment to a specific geographic area or areas or may vary the extent of the curtailment among such areas as the needs of the system require, the Company shall nevertheless preserve and enforce the applicable priorities of service categories within each geographic area. This provision (Section VII(B)(e)) applies to both firm and interruptible customers.

- (f) Notwithstanding the terms of any service contract or agreement, general terms and conditions, tariff provisions, or rate provisions to the contrary, if the Company issues a curtailment order and Customer does not comply with the order, the Company will assess, and Customer will be obligated to pay, a penalty to the Company as follows:

(i) For violation of a curtailment order the Customer shall pay to the Company \$20.00 per dekatherm, plus the highest Daily Gas Index Price for the day of, the gas day preceding, or the gas day following receipt or delivery, all other applicable upstream pipeline charges, and the Customer's base rate mark-up;

(ii) In addition to the penalties set forth above in Section VII(B)(f)(i), the Customer shall pay to the Company an amount equal to their pro-rata share of any penalty incurred by the Company for violation of an upstream pipeline's Operational Flow Order ("OFO"), if the Customer's violation of SCE&G's curtailment order results in incremental costs above the penalty assessed in Section VII(B)(f)(i) above.

(iii) Penalties will be assessed on each dekatherm of gas received into or taken out of the Company's system when such deliveries or receipts are not in compliance with a curtailment order.

(iv) The payment of a penalty under this provision shall under no circumstances be considered as giving Customer any right to violate any curtailment order issued. Further, the receipt of payment by the Company from any customer violating any provision of these Curtailment of Service Provisions shall not be considered as a substitute for or in lieu of any other remedy available to the Company for Customer's failure to comply with the curtailment order.

(v) This provision (Section VII(B)(f)) applies only to interruptible customers.

VIII. FORCE MAJEURE

In the event Company is unable, wholly or in part, by reason of Force Majeure to carry out its obligation to provide service under its Rate Schedules or contracts, the obligations of Company, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused by for no longer period and such cause shall, as far as possible, be remedied with all reasonable dispatch.

The term "Force Majeure" as employed herein shall include but not be limited to acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockade, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme weather conditions, storms, floods washouts, arrest and restraints of government and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the maintaining or repairing or alteration of machinery, equipment structures, or lines of pipe (which maintaining, repairing or alteration shall, however be carried out in such manner as to cause the smallest practicable curtailments or interruption of deliveries of gas), freezing of wells or lines of pipe, partial or entire failure or depletion of gas wells, partial or complete curtailment of deliveries under Company's gas purchase contracts, inability to obtain rights-of-way or permits or materials, equipment or supplies, and any cause other than those enumerated herein (whether of the kind enumerated or otherwise) not within the control of the person claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the persons affected, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the person affected there.

IX. SALES OF APPROVED EMERGENCY GAS (SUPPLY RELATED)

The Company may, in its discretion, offer any interruptible customer subject to curtailment the ability to buy Emergency Gas (Supply Related) during the curtailment on an interruptible basis when gas supplies and transportation are available. Any gas purchases made under this provision shall be priced at the actual delivered price of the specific source of supply allocated by the Company to serve the Customer, plus the approved maximum contract margin for service, plus all other costs and charges related to the specific gas supply used to serve the Customer.

Sales volumes and supply costs related to the gas supplied pursuant to this provision shall not be considered in computing the Company's weighted average cost of gas or in administering any aspects of the Company's Purchased Gas Adjustment ("PGA"), PGA process, or orders related thereto.